

**March 28, 2002**

**INSURANCE INFORMATION NOTICE 2002-03**

**REVISION OF INSURANCE INFORMATION NOTICE 2001-01**

**SUBJECT: MOVABLE PROPERTY VALUED BELOW \$1,000**

This is a revision of the Office of Risk Management Insurance Information Notice No. 2001-01 which was dated November 27, 2000. Our office received numerous inquiries about the tagging system we have previously mentioned only as a suggested way to keep track of the property information for state property valued below \$1,000. **Your agency is not required to tag state property valued below \$1,000.** However, in the event of an insured property loss, you must provide a list of lost, stolen, or destroyed property, the date purchased and a cost per item if you wish to collect insurance recoveries.

In September 2000 all State agencies and departments received notification from Louisiana Property Assistance Agency (LPAA) that the State Property Regulation requiring the placement on inventory of items with an original acquisition cost of \$250 or more would change. It now requires only items with an original acquisition cost of \$1,000 or more be placed on inventory. Subsequent to this announcement, the Office of Risk Management (ORM) has received many queries as to how this will affect the property information reported to our office.

The change implemented by LPAA only affects the ORM reporting requirements for property damage claims as shown below. When a property loss occurs, State agencies are required to provide the ORM Claims Unit with an itemized list of property that was damaged, destroyed, or stolen.

The department or agency must provide the following:

- the type of goods or equipment damaged, stolen, etc.
- the number of each type of item damaged, stolen, etc.
- date purchased or approximate age
- approximate acquisition cost

For items \$1,000 and over, in addition to the above, also include the following:

- State property tag number
- model number
- serial number
- tonnage (if applicable)

In order to file a claim of any value, you must be able to prove that you had the property that sustained the loss. Documentation can include purchase orders, handwritten lists generated from video tapes or photographs, or other similar evidence. Claims staff may choose to view video tapes or photographs as part of the adjusting process.

The change implemented by LPAA does not change the reporting of property exposures. When preparing updates to the ORM semi-annual property exposure report (Schedule of Property Values), the values of all items (including those items valued less than \$1,000) falling within the following categories must be included on the updated report to ORM.

→ Fine Arts

Museum exhibits, antiques, and objects of art of every nature and description, decommissioned aircraft, decommissioned watercraft (regardless of length) and/or automobiles, which are on display as a tourist attraction for public viewing. Aircraft must be stationary and inoperable as regards flight. Watercraft must be stationary and not floating in water. Automobiles must be inoperable as regards driving and unqualified for licensing by the motor vehicle law of Louisiana.

→ Livestock

All livestock, thoroughbreds, barnyard fowl and animals.

→ Computer Equipment

Mini-computers, mainframes, software and personal computers (including monitors, scanners, printers, etc.)

→ Boats and Motors

All boats, which are twenty-six feet (26'), or less in length including all inboard/outboard motors and all non-motorized row-boats regardless of length.

→ Mobile Structures

All movable building structures (any building designed, manufactured or purchased with the intent that it can be moved from place to place should be considered movable property). Examples: mobile homes, trailers, buildings on skids or wheels are all considered movable because they are intended to be portable; a building erected with pre-fabricated components (unless it is built with the intention of being portable) would not be considered a movable structure.

→ LPFA – Third Party Financing

All equipment being purchased in accordance with guidelines set forth by the Louisiana Public Facilities Authority or the Third Party Financing Master Installment Purchase Agreement.

If you have any questions regarding claims reporting, please contact Frank Foret, State Risk Claims Supervisor at (225) 342-8442. Any other questions should be addressed to Diana Darbonne, State Risk Underwriting Supervisor at (225) 342-8471.